

Student Section

Chartering Abbreviations And Terms Made Simple – Part1

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This month we will look at some of the important chartering abbreviations and terms. In shipping circles, many short forms are used. The origin of these abbreviations goes back to the days of cable and telexes. Even though today the unit communication cost has reduced to a very small fraction of what was incurred in the past, the tradition of using the short forms continues. Hence, it would be useful to learn some of these to understand charterparties and also the correspondence with the charterers/operators better. The text under 'explanation' is simplified and may not encompass full and complete meaning or the context in which the abbreviations may be used during negotiations and/or correspondence between parties or in the contracts, charterparty or otherwise.

AA - Always Afloat; AAAA - Always Accessible Always Afloat; NAABSA - Not Always Afloat But Safely Aground

Explanation: By inserting AA, the charterers warranty that the vessel will not be traded to any place where she can not safely lie afloat. Compare this with NAABSA. There are some ports where it is customary for the ships to lay aground, waiting for the high tide. The sea bed in these ports is generally soft mud. In any case, a suitable NAABSA clause is inserted in the charterparties. An example is reproduced as follows –

"Except at such places where it is customary for similar size vessels to safely lay aground, and where the vessels rest on soft mud *and vessel is not to be asked to maneuver whilst aground. Should vessel touch bottom, the Charterers to arrange at their time*

and expense an underwater Survey to assess the condition of hull prior to redelivery. Charterers indemnify Owners against all damages, losses and consequential losses arising from damage to hull by vessel touching bottom during loading/Discharging. *NAABSA allowed only two (2) times during this Charterparty*".

The words in italics above are one of the many variations that may be agreed upon during negotiations.

APS - Arrival Pilot Station; AFSPS - Arrival First Sea Pilot Station; DLOSP - Dropping Last Outwards Sea Pilot;

DOP - Dropping Outward Pilot.

Explanation: Onboard we are generally aware of EOP (End of Passage), COP (Commencement of Passage). However, APS or AFSPS are used when a ship comes on hire at the port of loading and the ballast passage is performed on owners' or disponent owners' account. Depending upon the market conditions, charterers may agree to pay a "ballast bonus" to the owners for performing such a voyage.

Contrast this with DLOSP or DOP. In this case, the vessel comes on hire when the outbound pilot or last sea pilot (depending upon what is agreed) is dropped; say at the port of last discharge or out of a port where the vessel underwent dry docking repairs. Further DLOSP or DOP can also be used for the point where the charterers return (called "redeliver") the vessel back to the owners or the head charterers.

AGW - All Going Well; WP - Weather Permitting; UCE - Unforeseen Circumstances Excepted

Explanation: Shipping is not



clockwork. There could be circumstances that are beyond the control of the parties. For example when a vessel is in dry dock, the completion of hull and/or cargo holds painting is subject to good weather (to ensure that painting is not carried out in rain, the humidity and the difference between the steel temperature and dew point are within range) and thus the vessel could be delayed or even miss her canceling if the weather continues to be bad. Thus, it is a common practice to mention ETC/D dd.mm.yyyy AGW, WP.

Various Ranges for 'delivery' and 'redelivery' and time

AARA - Amsterdam-Antwerp-Rotterdam Area; ANTHAM - Antwerp-Hamburg Range; ARAG - Amsterdam-Rotterdam—Antwerp-Gent Range; EC - East Coast.

Explanation: Especially in tramp shipping, it is difficult to pinpoint the port where the vessel will be redelivered back to the owners or disponent owners after the charter is completed. At the same time, there must be some limit in terms of the area or range within which the redelivery can be made. In some cases, worldwide redelivery ranges can also be defined. However, it is usual to define the ranges as per the abbreviations above and some more such as Japan – Aden range or Japan – Singapore range etc.

ATDNSHINC- Any Time Day/Night

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STUDENT SECTION

Sundays and Holidays Included

Explanation: This is to give flexibility to the parties and provides for continuity in terms of taking and handing the ship over.

BDI - Both Dates Inclusive; BENDS - Both Ends (Load & Discharge Ports); BSS 1/1 - Basis 1 Port to 1 Port

Explanation: Above are self explanatory. BSS 1/1 means one load port to one discharging port (also called "disport"). Similarly BSS 1/2 – means from one load port to two disports.

BWAD - Brackish Water Arrival Draft; FWAD - Fresh Water Arrival Draft; FWDD - Fresh Water Departure Draft

Explanation: It is important to have a good idea of relationship of drafts to the deadweight and also to understand the effect of change in drafts as the vessel moves from one zone to the other (e.g. summer zone to winter zone etc).

Please brief information from the tutorship material to this effect is reproduced as follows. For better learning of shipping business, it is recommended to pursue the ICS qualifying examinations:

“Loadlines. The amount of a ship's deadweight is determined by its loadline and this varies slightly because a ship has a maximum depth (draft) to which it is permitted to be loaded. This differs according to the part of the world in which the ship is loading and what season of the year. When reference is being made to a ship's deadweight without any qualification it invariably refers to the amount that can be loaded on 'summer marks'.

The ship's maximum draft and its variations are determined according to an internationally established formula. This international convention was the first one dealing with ship safety and started life in **1876**. It was then that **Samuel Plimsoll** a campaigning

British politician succeeded in persuading the government of the day to pass a Merchant Shipping Act. This gave the authorities several powers to detain unsafe ships and by an amendment drawn up in 1894 it particularly introduced a **loadline**. This was the deepest draft to which a ship could be loaded and was shown on the starboard side of the ship by a painted circular disc 12 inches in diameter with a line 18 inches long drawn horizontally through its centre to show the loadline. Because of Plimsoll's involvement, the loadline is sometimes referred to as a Plimsoll Mark

The decision as to where the load line shall be situated is made at the time the ship is constructed and the decision process is overseen by the ship's Classification Society which issues the Load Line Certificate and supervises the placing of the loadline. This mark is situated approximately amidships on both sides of the vessel. The Classification Society's initials (e.g. LR, GL etc) are included in the loadline (see sketch below). The maximum draft allowed is calculated according to a formula laid down in the loadline convention but an owner can opt for a lesser draft and if he does so a lower GT can be assigned to the ship. An owner who intends to use his ship for carrying lightweight cargoes might choose this option because it means that port charges calculated on the ship's GT or NT will be lower. A *practical example is when the owner asks for a dual loadline for a panamax vessel for 69,999 dwt for some Japanese ports.*

Although, commercially, one associates the load line with the **draft** of the ship, the depth of the ship **in** the water, the safety aspect of the load line is concerned with the ship's **freeboard**, the amount of the ship's hull between the water level and the loadline deck. The level of the deck is indicated by a horizontal line painted on the ship's side above the loadline

itself.

Different parts of the world and different seasons are considered to vary in their degree of danger and so vary in the amount of freeboard necessary for safety. International convention has divided the world into zones the least dangerous of which is titled 'Tropical' zone and the most dangerous is 'Winter, North Atlantic'. Furthermore, salt water provides more buoyancy to a ship than fresh water so that if the ship loads in fresh water she may be loaded to a deeper draft as she will rise up to the correct draft when reaching the ocean.

For these reasons a ship's load line can have as many as six marks, each of which has an initial against it which represents:-

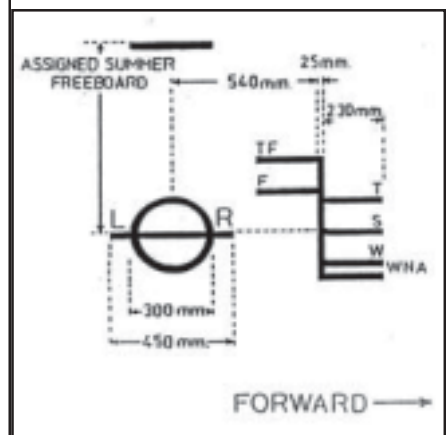
TF = Tropical Zone, Fresh Water

F = Fresh Water

T = Tropical Zone (Salt water)

S = Summer (in other zones)

W = Winter (in other zones)



WNA = Winter North Atlantic

The actual mark (the disc with a line through it) is the Summer Mark. On the line are placed the initials of the Classification Society that surveyed the ship to determine the positioning of the mark. In the illustration is LR (Lloyds Register) but there are several more such as ABS (American Bureau of Shipping) or RI (Registro Italiana)

and so on.

Ships used for carrying lumber (timber) can be granted an additional privilege because of the inherent buoyancy of the cargo and allowed to load deeper than ships carrying other cargoes. Additional loadline marks (corresponding to those mentioned above) are painted on the ship and prefixed with the letter L. If the ship happens not to be carrying timber on a particular voyage then the maximum draft will be in accordance with the standard marks.

Draft.

This word, which can also be spelt 'draught', refers to the distance between the bottom of the ship (the **keel**) to the level of water on the ships side (the **waterline**).

The more cargo (weight) the ship loads the deeper the ship will lay in the water - the greater her draft.

Every ship has a characteristic progression of increase in draft with weight so that it is possible to produce a **deadweight scale**. It is recommended that you look in your ship's plan to understand the dead weight scale. From this will be seen that for every state of the ship's draft there is a corresponding total deadweight. The scale is such that if the ship knows that it can increase its draft by a certain amount it is possible to give a close approximation of the amount of cargo required. The formula used is the **TPC** (Tonnes per Centimetre) or **TPI** (Tons per Inch) in case of older British and most US ships.

For some bulk cargoes, the taking of a draft reading before commencement of loading and then again when loading is finished gives a good check on the weight of cargo that has been loaded. This is called a **draft survey** and when it is of critical importance it is usually carried out either jointly by personnel from the ship and from the terminal or

by an independent surveyor.

The word draft (draught) is also used in reference to the **depth of water** available at a certain place in a sentence such as "the draft available at low tide is 6 metres".

CHOPT - Charterers Option; **OO** - Owners Option

Explanation: These options decide who has the right to declare the associated parameter. For example of the redelivery port in the redelivery range is in charterers option, it would be mentioned as "Port in CHOPT".

MOLCHOPT - More or Less Charterers Option; **MOLOO** - More or Less Owners Option

Explanation: Taking CHOPT and OO further, MOLCHOPT and MOLOO refer to the amount of cargo to be carried and who has the right to decide the final quantity to be loaded. For example, if the Charterparty is agreed to include 50,000 mt + / - 10% MOLOO, this would mean that the Owners have the option to carry any amount of cargo between 45,000 mt to 55,000 mt of cargo. Of course the intention of the Owners would be to carry as much cargo as possible, safely and within any change of zone and/or draft restrictions since under a COA (Contract of affreightment) or a voyage charterparty, the freight shall be paid basis \$/ton. Thus more the 'tons' of cargo carried, more the freight earned.

CQD - Customary Quick Dispatch

Explanation: For any COA or say voyage business, the owner must know how much time the vessel will take for loading and discharging. It is the responsibility of the charterers to commit the daily loading and unloading rates. This is required so that the owners can calculate the port stays and thus after taking into account the sea time and contingencies for weather, turn time, they can calculate the total voyage period. This forms the backbone of the voyage estimation and

arriving at the \$/ton figure and time charter yield. However, for some ports, the charterers provide the term "CQD" for the disport. Here the owners must satisfy themselves through their port captains and/or the port agents with regards to the number of days it normally takes for similar vessels in similar conditions to discharge the cargo. Here the charterers are then not responsible for the delays beyond owners' estimation. This then translates into no liability towards demurrage in the disports).

LAYCAN (LYCN) - Laycan (Layday Cancelling Date); **LAYTIME** (LT) - Time at charterers disposal for purpose of loading/discharging

DAPS - Days all Purposes (Total days for loading & discharging)

DHDATSBE - Despatch Half Demurrage on All Time Saved Both Ends; **DHDWTSBE** - Despatch Half Demurrage on Working Time Saved Both Ends

EIU - Even If Used; **UU** - Unless Used; **UIIWCTAUTC** - Unless Used In Which Case Time Actually Used To Count; **USC** - Unless Sooner Commenced; **ATUTC** - Actual Times Used to Count; **HDLTSBENDS** - Half Dispatch Lay Time Saved Both Ends; **HDWTS** - Half Dispatch Working (or Weather) Time Saved; **IUHTAUTC** - If Used, Half Time Actually To Count

FHEX - Fridays/Holidays Excluded;

FHINC - Fridays/Holidays Included;

SHINC - Sundays/Holidays Included;

SHEX - Sundays/Holidays Excluded;

SSHEX (or **SATSHEX**) - Saturdays, Sundays, Holidays Excluded;

SSHINC (or **SATSHINC**) - Saturdays, Sundays, Holidays Included.

In the next article, we will look at Laycan and associated terms till SATSHINC in detail. For the commercial negotiations followed by the post fixture operations, these are extremely important issues and thus deserve due attention and good understanding.